

## Community resources

[Follow us on Twitter](#) [Check our Reddit](#) [Twitter this](#) [Digg this](#) [page](#) [Contact us on IRC](#)

*courage is contagious*

## Viewing cable 06SANJOSE1650, A/S SHANNON VISITS TOP COSTA RICAN OFFICIALS

If you are new to these pages, please read an introduction on the [structure of a cable](#) as well as how to [discuss them](#) with others. See also the [FAQs](#)

### Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

### Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#06SANJOSE1650**.

Reference ID	Created	Released	Classification	Origin
<a href="#">06SANJOSE1650</a>	<a href="#">2006-07-28 19:27</a>	<a href="#">2011-08-30 01:44</a>	<a href="#">CONFIDENTIAL</a>	<a href="#">Embassy San Jose</a>

Appears in these articles:

<http://www.nacion.com/2011-03-03/Investigacion/NotasDestacadas/Investigacion2697430.aspx>  
<http://www.nacion.com/2011-03-03/Investigacion/NotaPrincipal/Investigacion2697496.aspx>  
<http://www.nacion.com/2011-03-03/Investigacion/NotasSecundarias/Investigacion2697489.aspx>  
<http://www.nacion.com/2011-03-03/Investigacion/NotasSecundarias/Investigacion2697532.aspx>  
<http://www.nacion.com/2011-03-03/Investigacion/NotasSecundarias/Investigacion2697535.aspx>  
<http://www.nacion.com/2011-03-03/Investigacion/NotasSecundarias/Investigacion2701964.aspx>  
<http://www.nacion.com/2011-03-03/Investigacion/Relacionados/Investigacion2701965.aspx>

VZCZCXYZ0005  
PP RUEHWEB

DE RUEHSJ #1650/01 2091927  
ZNY CCCCC ZZH  
P 281927Z JUL 06  
FM AMEMBASSY SAN JOSE  
TO RUEHC/SECSTATE WASHDC PRIORITY 5678  
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE

C O N F I D E N T I A L SAN JOSE 001650

SIPDIS

SIPDIS

E.O. 12958: DECL: 07/27/2016  
TAGS: [PGOV](#) [PREL](#) [PINR](#) [CS](#)  
SUBJECT: A/S SHANNON VISITS TOP COSTA RICAN OFFICIALS

11. (C) Summary: A/S Tom Shannon visited Costa Rica June 27-29, calling on key officials of the new Arias Administration as well as the International Relations Committee of the Legislative Assembly. A/S Shannon discussed security issues and prospects for ratification of the Central American Free Trade Agreement (CAFTA). The visit received broad publicity. End Summary.

12. (C) Shortly after his arrival, A/S Shannon met with Vice President Kevin Casas, Minister of Presidency Rodrigo Arias (brother and closest advisor to President Oscar Arias) and Minister of Public Security Fernando Berrocal to discuss security issues. All three officials were very interested in A/S Shannon's views on the November elections in Nicaragua. Arias stated that an Ortega victory would be a political and security disaster for Costa Rica, adding that many private Costa Ricans, especially in the business sector, were contributing to the Montealegre campaign. The GOCR, however, was intentionally being very circumspect to avoid any action that could be interpreted as meddling in Nicaragua's internal affairs. Casas stated that Costa Rica is in a downward spiral in terms of security adding that it is not in U.S. interests to wait for it to hit rock bottom. Arias countered that perceptions of insecurity were worse than the reality but added that Costa Rica desperately needs to increase its police presence. Arias said that he does not expect large-scale anti-CAFTA demonstrations nor major disruptions unless the GOCR is seen as unable to implement its agenda between now and December when he expects the treaty to come to a vote in the Legislature. Berrocal agreed, stating that the number of CAFTA opponents willing to engage in violent protests is small--perhaps 500-600 students plus seven or eight thousand union members. Without additional resources for security, however, even this small number could easily overwhelm security forces, he added.

#### CAFTA in the Assembly

13. (C) On June 28, over breakfast with the President of the Legislative Assembly and members of the International Relations Committee which is holding hearings on CAFTA, A/S Shannon was treated to a first-hand look at the challenges to ratification. Each Deputy had an entirely different view and collectively they spoke for over an hour--leaving only a few minutes at the end of the meeting for A/S Shannon to respond. Unsurprisingly, the most strident positions and memorable lines came from members of the opposition PAC party (i.e. "history has shown that when the U.S. and Costa Rica disagree, Costa Rica is right").

14. (C) A trend among the various speeches was the view that the U.S. is demanding a very high price in the opening of state monopolies but is not offering enough in return as reflected in repeated requests for more bilateral assistance.

Examples, which came even from CAFTA supporters, included several requests for more help for small and medium-sized businesses and government-to-government technology transfers.

PAC Deputies presented A/S Shannon with two letters, the text of which they had already released to the media. One letter criticized the "certification" process for determining that implementing legislation is compliant with the terms of CAFTA. This amounts to proof, according to the PAC, that CAFTA can be re-negotiated. The second letter demanded the White House either remove all mention of Costa Rica's temporary support for the Iraq Coalition or post a new list on its webpage without Costa Rica.

15. (U) The breakfast was followed by a joint press conference in which Assembly President Fransisco Pacheco told reporters that the meeting had been a cordial exchange of ideas aimed at addressing various concerns among the Deputies. For his part, A/S Shannon stressed that U.S.-Costa Rican relations are diverse and mature, allowing for frank discussions since both countries are committed to democracy and prosperity.

The A/S also reminded the public that CAFTA is a means to an end, a motor for development, and not an end in itself.

#### Tour d' Horizon with President Arias

---

¶16. (C) A/S Shannon met with President Arias over lunch. Arias was accompanied by his brother Rodrigo, Minister Without Portfolio Marco Vargas, Foreign Minister Bruno Stagno, Acting Trade Minister Amparo Pacheco and Costa Rican Ambassador to Washington Thomas Duenas. Arias touched briefly on Nicaragua and CAFTA, expressing his belief that Ortega is unlikely to win but worrying at some length about the impact of a wave of Nicaraguan refugees on Costa Rica's overstretched educational and health care systems. On CAFTA, Arias assured A/S Shannon that he had the votes for ratification but complained that Costa Rica's is the only Assembly in the world which cannot set a specific date to vote on an issue. Arias then shifted to the topic of Venezuela and Hugo Chavez. Arias called Chavez a "clown" and quizzed A/S Shannon on Venezuela's petrochemical interests in the U.S. with particular interest in Venezuelan refineries and petrochemical plants. Stagno pointed out that Venezuela disrupts or destroys every regional group it joins. He cited Mercosur, the Rio Group, and the Andean Group as examples and added that Venezuela's heavy-handedness in its bid for a seat in the UN Security Council has made a GRULAC consensus impossible. Stagno assessed that Venezuela has overshadowed Brazil's influence in these groups to the point that Lula would be happy if he could contain Evo Morales much less Hugo Chavez.

¶17. (C) Both Stagno and Arias complained that Costa Rica is being punished for its success. Development aid policy, according to their perspective, has become perverse--rewarding corruption and poverty by flowing aid toward countries that are basket cases. According to Stagno, Costa Rica and other middle income countries have a higher absolute number (albeit a lower percentage) of people living in poverty but don't qualify for assistance because of relatively good governance. Nevertheless, through free trade agreements such as CAFTA, middle income countries are required to compete with the developed world. Arias added that Costa Rica serves as an escape valve for Nicaragua. Rich Nicaraguans go to the U.S., according to Arias, whereas Costa Rica absorbs the poorest ones. Arias fears proposed reforms to U.S. immigration law will make the situation worse for Costa Rica since more immigrants will settle here if they cannot reach the U.S.

¶18. (C) In response to a query by A/S Shannon, Arias stated that China does not offer a viable political model for Latin America. Arias believes that democracy is too deeply rooted in the region to be threatened by engagement with China. Economically, however, Arias called China a very different story. In response to praise regarding his personal role in how far Central America has come since the 1980's, Arias called the progress relative. Compared with the progress made by Asia, and in particular China, since the 1980's, Arias said Central America should be considered a disaster.

#### Perspectives of the Economic Cabinet

---

¶19. (C) The Ambassador hosted a dinner for A/S Shannon with leading members of Arias's economic team. Participants included Minister of Production Alfredo Volio, Minister of Environment and Energy Roberto Dobles, Minister of Housing Fernando Zumbado, former Central Bank President Eduardo Lizano and Acting Trade Minister Amparo Pacheco. A wide-ranging discussion ensued but central themes were the numerous legislative devices available for delaying CAFTA ratification and the even greater difficulty in drafting and enacting the necessary implementing legislation. Minister Robles is playing a critical role in this process since he previously headed the telecom monopoly (ICE). Note: legislation opening the telecom and insurance monopolies to competition is expected during extraordinary legislative sessions in August when the Executive branch controls the legislative agenda. Public sector unions recently announced that the presentation

of this legislation will be the trigger for long-threatened massive demonstrations against CAFTA. End Note. Lizano asked A/S Shannon to consider U.S. observership in the Central American Bank for Economic Integration. Mere observer status would help the bank obtain a better credit rating and lower its costs according to Lizano. In addition to the Centrals, the bank also counts Argentina, Colombia, Mexico, Spain and China as members. A/S Shannon offered to look into the matter upon his return to Washington.

#### Broad Press Coverage

10. (U) A/S Shannon's visit received broad and positive press coverage. At every stop on his June 28 itinerary A/S Shannon's comments on Costa Rica's leadership role in the region, CAFTA as a means rather than an end, and that re-negotiation of CAFTA on a bilateral basis is impossible at this point received prominent coverage. A/S Shannon held an outreach event with students of English at the Bi-National Cultural Center which was originally funded by the U/S. After a tour of the facility and brief remarks, A/S Shannon fielded numerous questions from student and reporters.

11. (U) A/S Shannon did not clear this cable.  
LANGDALE